

## Paul DiSangro

### Partner

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Paul DiSangro focuses his practice on resolving tax disputes with the IRS and state agencies. He obtains favorable results in an efficient time frame by partnering with clients to develop a clear strategy for navigating the thorny issues that arise in complex tax cases. Paul has more than 20 years of experience representing clients in all facets of tax controversy, including audits and administrative appeals, alternative dispute resolution and litigation.

Successfully handling a broad range of tax issues with the IRS over the years, Paul's most recent work includes matters involving transfer pricing, cost sharing, subpart F exceptions, the R&D credit, the section 199 domestic production activity deduction, IP migration and valuation disputes, captive insurance company benefits, executive compensation, depreciation, capitalization, deductions, withholding, independent contractors vs. employees, offshore accounts, partnership issues and debt versus equity. Paul is currently litigating a section 199 issue for a mineral makeup company in the US Tax Court.

Paul also has extensive state and local tax controversy experience in California—with the California Franchise Tax Board, the California Board of Equalization, the California Employment Development Department and the California Unemployment Insurance Appeals Board—as well as with tax agencies in other states. His recent cases, which involve issues in more than 40 states, have included state transfer pricing and valuation disputes, alternative apportionment, sales and use taxes for online sales, trust and estate issues, market-based sourcing, tax shelters, independent contractors versus employees and voluntary disclosure programs.

On the tax planning side, Paul advises clients on a broad range of international, federal and state tax concerns. He counsels on cross-border issues including taxation under subpart F, transfer pricing and the movement and licensing of intangible property. He also advises on mergers and acquisitions and US outbound and inbound investment.

Paul is recognized as a leading tax controversy adviser in the International Tax Review 2016 Tax Controversy Leaders guide. He has authored several important works on US and international tax issues and is widely sought as a speaker and presenter at professional tax seminars and symposia. With the Tax Executives Institute, Paul organizes the annual Tax Controversy Seminar in Silicon Valley. In addition to sharing his knowledge at professional programs, he has taught international tax classes as an adjunct professor at the LLM level. Prior to joining Mayer Brown in 2003, Paul practiced in Washington DC and San Francisco with two other prominent international law firms.

## Experience

- *Save Mart Supermarkets v. City of Oakland*, No. RG10514461 (2011) (retroactive taxation of real property transfers under Measure H).
- *Flextronics America, LLC, as Alternative Agent Pursuant to Treas. Reg. §1.1502-77A(e)(4)(ii) for C-MAC Holdings, Inc. & Subsidiaries Consolidated Group v. Commissioner of Internal Revenue*, T.C. Memo 2010-24, (basis in acquired inventory).
- *United Parcel Service of America v. Commissioner of Internal Revenue*, 254 F.3d 1014 (11th Cir. 2001), *rev'g and remanding*, T.C. Memo. 1999-268, 78 T.C.M. (CCH) 262 (1999) (vacating Tax Court's finding on sham, assignment of income and penalties).
- *Amp, Inc. v. United States*, 492 F Supp 27 (Ct. Fed. Cl. 1998), *rev'd* by 185 F.3d 1333 (Fed. Cir. 1999) (taxpayer entitled to additional foreign tax credits).
- *Connecticut General Life Ins. Co. v. Commissioner of Internal Revenue*, 109 T.C. 100 (1997), *aff'd* by 177 F.3d 136 (3d. Cir. 1999) (NOL computations for life and non-life insurance groups).
- Defending employers in IRS audits of employees vs. independent contractors.
- Defending transfer-pricing methodology of a major telecom company.
- Obtaining a Pre-Filing Agreement to secure more than \$100 million annually in R&D tax credits for a major biopharmaceutical company
- Advising a major international bank on compliance with Foreign Bank Account Reporting requirements.
- Defending a Fortune 200 corporation in IRS Appeals on issues involving worthless stock, bad debt, reorganizations, deemed dividends, and transfer pricing.

- Resolving offshore account disclosure matters for individuals and corporations.

## Education

- Georgetown University Law Center; LLM in Taxation, with distinction
- University of Miami School of Law, JD, magna cum laude; Order of the Coif; University of Miami Law Review, Full scholarship
- Georgetown University, BA, magna cum laude

## Admissions

- California
- District of Columbia
- Florida
- US Tax Court

## Activities

- San Francisco Tax Club (President, 2012)
- State Bar of California, Taxation Section
- San Francisco Tax Club (Secretary and Treasurer)

## News & Publications

- "IRS expands amnesty program once reserved for expatriates," San Francisco Chronicle, 9 July 2014
- "Answers about health care subsidies, overseas income," San Francisco Chronicle, 13 March 2014
- "Google buses regulated differently from shuttles," San Francisco Chronicle, 3 March 2014
- "Q&A With Mayer Brown's Paul DiSangro," Law360, 13 February 2014
- "Is Uncle Sam chasing people out of the US?," San Francisco Chronicle, 12 February 2014
- "Gillette: California Court of Appeal's Decision Produces Razor Burn for the Franchise Tax Board and has Significant Implications for Multistate Corporate Taxpayers," Mayer Brown Legal Update, 27 August 2012
- "Alternative Dispute Resolution Processes In the Current U.S. Transfer Pricing Landscape," Bloomberg BNA Transfer Pricing Report, 28 June 2012
- "Termination Fee Deemed Apportionable Business Income by California State Board of Equalization," Mayer Brown Legal Update, 15 March 2012
- "Indirect Attack on Carried Interests: the NYC Department of Finance's Contemplated Change in Unincorporated Business Tax Policy," Mayer Brown Legal Update, 24 February 2012
- "Internal Revenue Service Issues Guidance for Examiners and Managers on the Codified Economic Substance Doctrine," Mayer Brown Legal Update, 19 July 2011
- "Paul DiSangro rejoins Mayer Brown's Tax Controversy practice as partner in Palo Alto," 22 February 2011
- "India, Like China, Is Taxing Offshore Acquisitions," Corporate Finance Law 360, 2010
- "Mayer Brown Wins Reinstatement Of Foundation's Charitable Status," 5 September 2007
- "United States Tax Policy on Electronic Commerce," 12 Intertax 429-444, 1997
- "Editorial Explanation of the Proposed 1996 US-Thailand Income Tax Treaty -- 3 Tax Treaties 84,013-84,030," Warren, Gorham & Lamont, eds., 1996
- "The Intersection Between FIN 48 and Transfer Pricing," CCH Global Tax Briefing, 2007

## Events

- TEI Silicon Valley Tax Controversy Seminar, 27 September 2016
- Energy Tax Conference: Maximizing Value, 19 September 2016 - 20 September 2016
- Third Annual Tax Controversy Seminar, 29 September 2015
- TEI/USD/Mayer Brown Third Annual Tax Controversy Seminar, 29 September 2015
- "Mock Audit of Transfer Pricing," TEI Region VIII Conference, 16-18 June 2015
- "Getting Ready for Appeals," TEI Annual Audits & Appeals Seminar, 19 May 2015 - 21 May 2015
- "Anatomy of a Transfer Pricing Case," OFII Tax Conference, 13 May 2015 - 16 May 2015
- "R&D Claim, Opportunities, Cases, IRS Announcements," TEI Tax School - Houston Chapter, 4 May 2015 - 8 May 2015
- "Into the Weeds of LB&I's Transfer Pricing Roadmap," 65th Midyear TEI Conference, 22 March 2015 - 25 March 2015
- "Appeals Judicial Approach and Culture," TEI Chicago Chapter Selected Topics in Tax Controversy and IRS Update, 26 February 2015
- "How to Manage Corporate Tax & IP Considerations," Taxation of Intellectual Property, 1-2 December 2014
- "Current Development in IRS Audits, Appeals and Tax Litigation," Silicon Valley Tax Director's Group, 14 November 2014

- "Increased Field Investigations: Managing Compliance, Documentation, and Witness Interviews, Wrap-up & Summary," TEI & University of San Diego – Tax Litigation Update, 26 September 2014
- "Mock IRS Appeal on a Transfer Pricing Issue," Tax Executives Institute's Tax Controversy Seminar, University of San Diego, 26 September 2014
- "So Now You're Done – How to Close My IRS Case?," Tax Executives Institute, 21-23 May 2014
- "Mock IRS Appeal on a Transfer Pricing Issue"; "Wrap-up & Summary," TEI & University of San Diego - Tax Controversy Seminar, 16 May 2014
- "Taking & Defending the Section 199 Deduction for US Production Activities," 2014 Organization for International Investment (OFII) Annual Tax Conference, 4-7 May 2014
- "Recent Changes in IRS Audit and Transfer Pricing Administration," Manufacturers Alliance for Productivity and Innovation, Palo Alto, CA, 13 March 2014
- "Developments in Foreign Tax Credits," USA Branch of the International Fiscal Association's Annual Conference, 27-28 February 2014
- "Challenges, Risks and Best Practices Under the New IDR and Summons Rules," Palo Alto Tax Controversy Roundtable, 6 February 2014
- "How to Manage Corporate Tax & IP Considerations," Silicon Valley Association of General Counsel All Hands Meeting 2013, 5 December 2013
- "Current IRS Audit Developments – Emphasis on Revised Information Document Request Processes and Section 199 Audits," TEI Philadelphia Chapter - Federal, Financial Reporting and International Tax Update & Developments, 13 November 2013
- "'Defending the 199 Deduction in Audit and Appeals,' 'Talking Tax With Your Financial Auditors' and 'How to Expedite IRS Exams'," TEI Dallas Technical Session, 17 September 2013
- "Defending the 199 Deduction in Audit and Appeals," TEI Houston, 4 September 2013
- "Factual Issues: Settlements and Section 199 Deduction," Tax Executives Institute Current Topics in Tax Controversy, 30 May 2013
- "Discussing Tax Positions with Your External Auditor," TCIF (Tax Controversy In-House Forum) – Silicon Valley, 15 May 2013
- "Client and Other Privileges: What the Modern Tax Department Needs to Know (Ethics)," Tax Department Management & Tax Controversy Program, Denver Chapter of Tax Executives Institute, 22-23 April 2013
- "Alternative Dispute Resolution Processes in the Current US Transfer Pricing Landscape," BNA|CITE Conference Advanced U.S. Transfer Pricing, San Francisco, CA, 4 October 2012
- "Economic Substance – The New IRS Weapon on Audits of Inbound Companies," Organization For International Investment, 21 May 2012
- "Recent Audit Trends and Best Practices for Responding," TEI Chicago Chapter, 16 February 2012
- "Resolving Transfer Pricing Controversies Through Alternative Dispute Resolution Forums," BNA & CITE's Advanced U.S. Transfer Pricing, 13 December 2011
- "Tax Management for Nonresident Taxpayers in China," 4th Annual International Tax Summit, Beijing, China, 2010
- "IRS Voluntary Disclosure of Offshore Accounts," Webinars on IRS Voluntary Disclosure of Offshore Accounts, 2009
- "Opportunities in Turbulent Times: Cross-Border Insolvencies," State Bar of California Annual Meeting, 2009
- "International Tax Law Update on Final Regulations for Contract Manufacturing and Cost Sharing," San Francisco Tax Club Meeting, 2009
- "Tax Issues through a Prism: From the Big Picture to the Particulars of the States," Lavender Law, 2008
- "International Tax Issues and FIN 48," Tax Executives Institute, Santa Clara Valley Chapter, 2007
- "Revenue and Tax Consequences of Cross-Border Licensing & Enforcement," Licensing Executives Society, Silicon Valley Chapter, 2006
- "The Dating Game – Backdating of Stock Options," National Association of Stock Plan Professionals, 2006
- "Handling IRS Audits & Resolving Federal Tax Controversies," ATLAS, 2006
- "IRS Settlement Initiatives," San Jose State University Contemporary Issues Series on High Tech Taxation, 2004
- "Transfer Pricing: Current Developments in International Cost-Sharing and Services Arrangements and APA West Coast Program," California Tax Bar Annual Meeting, 2004
- "Taxation of Forward and Futures Contracts," American Petroleum Institute's 64th Annual Federal Tax Forum, 1998